

DEPARTMENT OF SOCIAL SERVICES

744 P Street, Sacramento, CA 95814

(916) 322-5802



July 31, 1980

ALL-COUNTY INFORMATION NOTICE I- 81-80

TO: ALL COUNTY WELFARE DIRECTORS

SUBJECT: FY 80/81 COST CONTROL PLAN

REFERENCE:

Attached is the finalized Cost Control Plan for FY 80/81. This revised copy supersedes the draft plan submitted with the Cost Control Budgeting Questionnaire. The final plan includes the actual budget act language pertaining to the cost-of-living provisions. Aside from these revisions the final plan is basically the same as the draft plan. Please note that the plan targets are not to be confused with your actual targets which resulted from the cost control budgeting process. Refer to your FY 80/81 allocation letters dated July 25, 1980 for your actual targets.

The FY 80/81 Cost Control Plan was developed through a combined review by both county representatives and the Department of Social Services' program and fiscal staff. Adjustments to the plan have been incorporated, when possible, in an attempt to meet concerns expressed by your representatives.

If you have any questions regarding this plan, please contact the County Administrative Expense Control Bureau at (916) 322-5802.

Sincerely,

A handwritten signature in cursive script that reads 'Claude E. Finn'.

CLAUDE E. FINN
Deputy Director

Attachment

ADMINISTRATIVE COST CONTROL PLAN

I. Requirement for Cost Control

- A. Cost control was initiated for FY 75/76 based on a mandate contained in Item 291 of the Budget Act. Control efforts were continued in FY 76/77, FY 77/78, FY 78/79, and FY 79/80 in conjunction with Items 305, 265, 276, and 288 respectively.
- B. Cost control will be continued for FY 80/81. Minor changes have been incorporated into FY 80/81 cost control but the basic intent of the plan remains unchanged.
- C. The FY 80/81 cost control plan maintains productivity goals in the AFDC and NAFS programs. Counties have the opportunity to provide input regarding efficiency standards on a more individualized basis through the cost control impact questionnaire.
- D. DSS reserves the right to reassess the cost control plan if changes occur to significantly affect the eligibility determination process or administrative cost claiming procedures.

II. Cost Control for AFDC Administration

A. Types of Expenditures

- 1. Salaries and employee benefits of eligibility workers and their supervisors represent approximately 49 percent of total costs.
- 2. Salaries and employee benefits of clerical and administrative support staff represent approximately 30 percent of total costs.
- 3. Operating costs (space, equipment, utilities, EDP, etc.) represent approximately 18 percent of total costs.
- 4. Direct costs (fraud investigators and disability exams) represent approximately 3 percent of total costs.

(Controls applied to Items 2 and 3 will be addressed in the Support Section to follow).

B. Workload

- 1. Intake actions per worker - this represents the number of actions (approvals, intercounty transfers, interprogram transfers, denials, BHI restorations) that an intake worker completes during the month.

2. Cases per worker - this represents the number of cases (received a grant, zero grant, etc.), for which a continuing worker is responsible during the month.

To obtain comparable fiscal and statistical data on a statewide and county grouping basis, specialized function workers are grouped with regular workers for the computation of county workload measures. The following list includes, but does not limit, the specialized workers who may perform eligibility functions but do not directly carry a caseload.

- a. Budget Clerks
- b. Overpayments Units
- c. Earnings Clearance Units
- d. Fair Hearings
- e. Reinvestigations

C. Specific Cost Control Application (AFDC)

1. Casework Costs

a. Plan Parameters

The FY 80/81 AFDC Cost Control Plan utilizes a FY 77/78 base for activity per worker standards. Counties are divided into four groups (large, medium, small and very small) based on caseload size and/or number of staff. Respective FY 77/78 means are utilized in establishing productivity standards for the large, medium and small county groupings.

b. Cost Control Components

(1) Large and medium counties which operated during FY 77/78:

- (a) Below their respective group's FY 77/78 mean are asked prior to cost control budgeting to operate at least at their group's mean;
- (b) Above their respective group's 77/78 mean are asked prior to cost control budgeting to maintain their actual FY 77/78 activity level.

Large and medium counties may be allowed, upon request and justification in the cost control impact questionnaire, a decrease in activity per worker toward their group's respective FY 74/75 mean.

2. Salaries and employee benefits of clerical and administrative support staff represent approximately 26 percent of total costs.
3. Operating costs (space, equipment, utilities, EDP, etc.), represent approximately 17 percent of total costs.
4. Direct costs (issuance costs and fraud investigators) represent approximately 14 percent of total costs.

(Controls applied to Items 2 and 3 will be addressed in the Support Section to follow).

B. Workload

Total activity per worker - this represents the number of activities (applications disposed plus certified eligible households) for which an NAFS eligibility worker is responsible during the month.

C. Specific Cost Control Application (NAFS)

1. Casework Costs

a. Plan Parameters

The FY 80/81 NAFS Cost Control Plan utilizes a FY 76/77 base for activity per worker standards. Counties are divided into four groups (large, medium, small and very small) based on caseload distribution and/or number of staff. Respective FY 76/77 means are utilized in establishing productivity standards for the large, medium and small county groupings.

b. Cost Control Components

(1) Large, medium, and small counties which operated during FY 76/77:

- (a) Below their respective group's FY 76/77 mean are asked prior to cost control budgeting to operate at least at their group's mean;
- (b) Above their respective group's FY 76/77 mean are asked prior to cost control budgeting to maintain their actual FY 76/77 activity level.

Large, medium, and small counties may be allowed, upon request and justification in the cost control impact questionnaire, a decrease in activity per worker toward their group's FY 76/77 mean, or their actual FY 76/77 level, whichever is less.

(2) Small counties which operated during FY 77/78:

- (a) Below their respective group's FY 77/78 mean are asked prior to cost control budgeting to operate at least at their group's mean;
- (b) Above their respective group's FY 77/78 mean are asked prior to cost control budgeting to maintain their actual FY 77/78 activity level.

Small counties may be allowed, upon request and justification in the cost control impact questionnaire, a decrease in activity per worker toward their group's FY 77/78 mean, or their actual FY 77/78 level, whichever is less.

- (3) Very small counties are those which had eight or less full-time equivalent (FTE) AFDC eligibility workers in FY 77/78. Prior to cost control budgeting these counties are asked to maintain no more than their FY 77/78 staffing level. Counties may request additional staff; however, when staffing exceeds eight, the county becomes subject to small county controls. Where there is less than a half FTE, the number of staff has been rounded up to the nearest half FTE (e.g., 3.4 FTEs would be rounded to 3.5 FTEs, 3.6 FTEs would be rounded to 4.0 FTEs). This is to ensure an adequate staffing level for very small counties which have the least flexibility to adjust time-studying personnel.

2. Quality Control Staff

Quality control staff for all counties are controlled by limiting counties to FY 77/78 staffing levels.

3. First Line Supervisors

FY 77/78 supervisor to eligibility staff ratios are utilized to control this area.

4. Direct Costs

Direct costs are controlled by limiting counties to FY 77/78 expenditures and the appropriate cost-of-living.

III. Cost Control for Nonassistance Food Stamps Administration

A. Types of Expenditures

- 1. Salaries and employee benefits of eligibility workers and their supervisors represent approximately 43 percent of total costs.

- (a) Above their respective group's FY 77/78 mean are asked prior to cost control budgeting to reduce their ratio at least to their group's mean;
- (b) Below their respective group's FY 77/78 mean are asked prior to cost control budgeting to maintain a ratio not to exceed their FY 77/78 level.

Large, medium and small counties may be allowed, upon request and justification in the cost control impact questionnaire, an increase in ratio toward their group's FY 77/78 mean, or their actual FY 77/78 ratio, whichever is greater.

- (2) Very small counties are asked prior to cost control budgeting to maintain a ratio not to exceed their FY 77/78 level. Support ratio changes are to be requested and justified in the cost control impact questionnaire.

V. Special Cost Control Provisions - These provisions are applicable to both the AFDC and NAFS programs.

A. Cost-of-Living Provisions

Cost-of-living increases will be applied in FY 80/81 in accordance with the Budget Act language which states:

"Provided further, that the Department of Social Services shall report by October 1, 1980 to the Legislature and the Department of Finance, cost-of-living increases to be reimbursed to each county in excess of nine percent for the 1980-81 fiscal year, with an explanation of the reasons therefor."

B. Activity Growth Provisions

Appropriate allocation increases and/or decreases are applied relative to caseload fluctuations. Since the budget is prepared prior to the availability of actual growth data, the department will request additional funding from the legislature, if necessary. Although caseload adjustments will not be applied regularly to very small counties, caseloads will be monitored and staff will be adjusted as justified.

C. Cost Control Budgeting System

A budgeting system implements the cost control provisions included herein. All requests and justifications are to be expressed in the cost control impact questionnaire and will be reviewed and decided upon by appropriate fiscal and program staff of this department.

To assure program needs are maintained, consideration will be given to individual county requests (whether increases or decreases).

- (2) Very small counties are those which have three and a half or less full-time equivalent (FTE) NAFS eligibility workers in FY 76/77. Prior to cost control budgeting these counties are asked to maintain no more than their FY 76/77 staffing level. Counties may request additional staff; however, when staffing exceeds three and a half FTEs, the county becomes subject to small county controls. Where there is less than a half FTE, the number of staff has been rounded up to the nearest half FTE.

2. First Line Supervisors

FY 77/78 supervisor to eligibility staff ratios are utilized to control this area.

3. Direct Costs

Direct costs (99 percent issuance) will be controlled by limiting counties to FY 77/78 expenditures and the appropriate cost-of-living.

IV. Cost Control for Support - Support controls are applicable to both the AFDC and NAFS programs.

A. Types of Expenditures

Costs included under this area are administrative and clerical support staff and operating costs (space, equipment, utilities, EDP, etc.).

B. Ratio

Support Ratio - this represents the relationship of support costs to eligibility staff costs.

C. Specific Cost Control Application

1. Support Costs

a. Plan Parameters

The FY 80/81 support controls are based on FY 77/78 ratios. Counties are divided into four groups based on the AFDC distribution. Respective FY 77/78 means are utilized in establishing support standards for large, medium and small counties.

b. Cost Control Components

- (1) Large, medium and small counties which operated during FY 77/78:

D. Transferability of Funds

NAFS issuance funds are allocated separately and the transference of these funds to another cost area is not allowed. With the exception of NAFS issuance funds, counties have the flexibility to transfer funds from one cost area to another within their respective AFDC and NAFS allocations. However, the transference of funds between AFDC and NAFS is not allowed.

AFDC INTAKE

Large Counties

| | <u>77/78</u> | <u>80/81 Target*</u> |
|--------------------|--------------|----------------------|
| Los Angeles | 22.81 | 27.95 |
| 74/75 Mean = 23.06 | | |
| Fresno | 23.23 | 27.95 |
| San Francisco | 24.05 | 27.95 |
| San Diego | 24.44 | 27.95 |
| Orange | 25.06 | 27.95 |
| Alameda | 26.08 | 27.95 |
| Contra Costa | 27.07 | 27.95 |
| Mean | | 27.95 |
| Santa Clara | 30.48 | 30.48 |
| San Bernardino | 30.57 | 30.57 |
| Sacramento | 31.37 | 31.37 |
| Riverside | 42.30 | 42.30 |

* Prior to cost control budgeting.

FY 80/81 COST CONTROL PLAN
WORKLOAD SOURCE.

AFDC

1. Statistical Data
 - a. Intake
 - (1) Applications disposed - CA 237 FG/U Lines 4, 7c, 7d1 plus CA 237 BHI Lines 7a through 7d
 - b. Continuing
 - (1) Continuing cases - CA 237 FG/U Line 8, Columns 1 and 2 plus CA 237 BHI Line 8
2. EW Staff Data
 - a. Intake EWs - DFA 327.7A, Part 2, Line A1 (EW), Column 5
 - b. Continuing EWs - DFA 327.7A, Part 2, Line A2 (EW), Column 5

NAFS

1. Statistical Data
 - a. Total Activity
 - (1) Applications disposed - DFA 296, Part A, Line 4b, (NA), plus Part B, Line 7a, Column 2 plus applicable GR
 - (2) NA Certified Eligible - DFA 296, Part B, Line 8a, Column 2 including applicable GR
2. EW Staff Data
 - a. Total EWs - DFA 327.7A, Part 4, Lines F1 and F2 (EW), Column 5

SUPPORT - AFDC AND NAFS

1. Support Cost to EW Staff Cost Ratio
 - a. DFA 327.2 (Column 4 and Column 5) ÷ Column 3

AFDC INTAKE

Medium Counties

| | <u>77/78</u> | <u>80/81 Target*</u> |
|--------------------|--------------|----------------------|
| Kern | 22.37 | 28.05 |
| Humboldt | 23.00 | 28.05 |
| Santa Cruz | 24.76 | 28.05 |
| 74/75 Mean = 24.91 | | |
| San Joaquin | 25.78 | 28.05 |
| Butte | 26.08 | 28.05 |
| Monterey | 26.12 | 28.05 |
| Santa Barbara | 27.40 | 28.05 |
| Sonoma | 27.70 | 28.05 |
| Mean | | 28.05 |
| Merced | 28.84 | 28.84 |
| San Mateo | 29.63 | 29.63 |
| Solano | 32.37 | 32.37 |
| Tulare | 32.50 | 32.50 |
| Ventura | 32.74 | 32.74 |
| Stanislaus | 33.41 | 33.41 |

* Prior to cost control budgeting.

AFDC CONTINUING

Large Counties

| | <u>77/78</u> | <u>80/81 Target*</u> |
|----------------|---------------------|----------------------|
| Contra Costa | 108.81 | 126.78 |
| San Diego | 112.21 | 126.78 |
| Alameda | 113.73 | 126.78 |
| | 74/75 Mean = 113.84 | |
| San Francisco | 118.04 | 126.78 |
| Mean | | 126.78 |
| Sacramento | 127.10 | 127.10 |
| San Bernardino | 129.75 | 129.75 |
| Santa Clara | 129.77 | 129.77 |
| Orange | 135.30 | 135.30 |
| Los Angeles | 135.58 | 135.58 |
| Fresno | 141.18 | 141.18 |
| Riverside | 143.07 | 143.07 |

* Prior to cost control budgeting.

AFDC INTAKE
Small Counties

| | <u>77/78</u> | <u>80/81 Target*</u> |
|-----------------|--------------|----------------------|
| Sutter | 14.26 | 25.47 |
| Siskiyou | 18.90 | 25.47 |
| Marin | 19.90 | 25.47 |
| Shasta | 20.88 | 25.47 |
| San Luis Obispo | 22.11 | 25.47 |
| Madera | 23.50 | 25.47 |
| Napa | 23.66 | 25.47 |
| Kings | 24.13 | 25.47 |
| Nevada | 24.20 | 25.47 |
| Lake | 24.59 | 25.47 |
| Mean | | 25.47 |
| Yolo | 26.22 | 26.22 |
| Mendocino | 27.63 | 27.63 |
| Tehama | 27.75 | 27.75 |
| Yuba | 28.56 | 28.56 |
| El Dorado | 33.01 | 33.01 |
| Imperial | 36.04 | 36.04 |
| Placer | 37.62 | 37.62 |

* Prior to cost control budgeting.

AFDC CONTINUING

Medium Counties

| | <u>77/78</u> | <u>80/81 Target*</u> |
|---------------|---------------------|----------------------|
| Merced | 111.13 | 130.47 |
| | 74/75 Mean = 112.12 | |
| San Mateo | 112.85 | 130.47 |
| Kern | 118.80 | 130.47 |
| Solano | 123.05 | 130.47 |
| Butte | 124.15 | 130.47 |
| Santa Barbara | 124.89 | 130.47 |
| Stanislaus | 126.53 | 130.47 |
| Mean | | 130.47 |
| Tulare | 135.42 | 135.42 |
| Monterey | 135.46 | 135.46 |
| San Joaquin | 136.78 | 136.78 |
| Sonoma | 139.44 | 139.44 |
| Ventura | 140.97 | 140.97 |
| Humboldt | 148.39 | 148.39 |
| Santa Cruz | 148.73 | 148.73 |

* Prior to cost control budgeting.

AFDC

Very Small Counties

| | <u>Actual 77/78 Eligibility Workers</u> | <u>80/81 Targeted Eligibility Workers*</u> |
|------------|---|--|
| Tuolumne | 5.5 | 5.5 |
| Lassen | 5.1 | 5.5 |
| Del Norte | 4.7 | 5.0 |
| Calaveras | 3.8 | 4.0 |
| Glenn | 3.8 | 4.0 |
| Inyo | 3.5 | 3.5 |
| San Benito | 3.1 | 3.5 |
| Plumas | 3.0 | 3.0 |
| Colusa | 2.6 | 3.0 |
| Trinity | 2.2 | 2.5 |
| Amador | 2.2 | 2.5 |
| Modoc | 1.9 | 2.0 |
| Mariposa | 1.4 | 1.5 |
| Sierra | 1.0 | 1.0 |
| Mono | .9 | 1.0 |
| Alpine | .1 | .5 |

* Prior to cost control budgeting.

AFDC CONTINUING

Small Counties

| | <u>77/78</u> | <u>80/81 Target*</u> |
|-----------------|--------------|----------------------|
| Marin | 80.72 | 117.75 |
| Sutter | 81.32 | 117.75 |
| Napa | 97.08 | 117.75 |
| Madera | 97.93 | 117.75 |
| Siskiyou | 102.45 | 117.75 |
| Yuba | 115.82 | 117.75 |
| Mean | | 117.75 |
| Mendocino | 118.13 | 118.13 |
| San Luis Obispo | 119.90 | 119.90 |
| Nevada | 122.21 | 122.21 |
| Kings | 123.03 | 123.03 |
| Lake | 125.76 | 125.76 |
| El Dorado | 126.76 | 126.76 |
| Placer | 130.12 | 130.12 |
| Shasta | 130.80 | 130.80 |
| Tehama | 131.54 | 131.54 |
| Yolo | 148.60 | 148.60 |
| Imperial | 149.55 | 149.55 |

* Prior to cost control budgeting.

NAFS TOTAL ACTIVITY

Medium Counties

| | <u>76/77</u> | <u>80/81 Target*</u> |
|---------------|---------------------|----------------------|
| Kern | 116.00 | 161.50 |
| San Mateo | 139.12 | 161.50 |
| Sonoma | 143.60 | 161.50 |
| Santa Barbara | 147.12 | 161.50 |
| Ventura | 148.03 | 161.50 |
| San Joaquin | 148.25 | 161.50 |
| Mean | w/o Monterey 161.50 | |
| Humboldt | 163.53 | 163.53 |
| Monterey** | 171.49 | 171.49 |
| Santa Cruz | 177.36 | 177.36 |
| Marin | 189.32 | 189.32 |
| Stanislaus | 197.30 | 197.30 |
| Tulare | 206.82 | 206.82 |

* Prior to cost control budgeting.

** Data estimated.

NAFS TOTAL ACTIVITY

Large Counties

| | <u>76/77</u> | <u>80/81 Target*</u> |
|-----------------|--------------|-----------------------------------|
| Orange** | 158.00 | 190.13 |
| Alameda | 162.96 | 190.13 |
| Fresno** | 170.13 | 190.13 |
| Los Angeles | 170.30 | 190.13 |
| San Diego | 173.46 | 190.13 |
| Riverside | 185.57 | 190.13 |
| Sacramento | 190.04 | 190.13 |
| Mean | | 190.13 |
| | | w/o Orange, Fresno, San Francisco |
| Contra Costa | 200.77 | 200.77 |
| Santa Clara | 201.44 | 201.44 |
| San Francisco** | 217.49 | 217.49 |
| San Bernardino | 236.51 | 236.51 |

* Prior to cost control budgeting.

** Data estimated.

NAFS

Very Small Counties

| | <u>Actual 76/77 Eligibility Workers</u> | <u>80/81 Targeted Eligibility Workers*</u> |
|------------|---|--|
| San Benito | 3.0 | 3.0 |
| Tuolumne | 2.4 | 2.5 |
| Siskiyou | 2.4 | 2.5 |
| Tehama | 2.1 | 2.5 |
| Del Norte | 2.0 | 2.0 |
| Lassen | 1.8 | 2.0 |
| Glenn | 1.4 | 1.5 |
| Amador | 1.2 | 1.5 |
| Colusa | 1.2 | 1.5 |
| Inyo | 1.2 | 1.5 |
| Modoc | 1.0 | 1.0 |
| Calaveras | 1.0 | 1.0 |
| Plumas | 1.0 | 1.0 |
| Mono | .9 | 1.0 |
| Trinity | .8 | 1.0 |
| Mariposa | .7 | 1.0 |
| Sierra | .2 | .5 |
| Alpine | .2 | .5 |

* Prior to cost control budgeting.

NAFS TOTAL ACTIVITY

Small Counties

| | <u>76/77</u> | <u>80/81 Target*</u> |
|-----------------|--------------|----------------------|
| Sutter | 95.67 | 180.06 |
| Merced | 121.49 | 180.06 |
| Napa | 125.85 | 180.06 |
| Nevada | 134.48 | 180.06 |
| Lake | 134.87 | 180.06 |
| Madera | 154.25 | 180.06 |
| El Dorado | 161.36 | 180.06 |
| San Luis Obispo | 166.24 | 180.06 |
| Mendocino | 168.99 | 180.06 |
| Kings | 175.15 | 180.06 |
| Mean | | 180.06 |
| Placer | 189.99 | 189.99 |
| Solano | 196.77 | 196.77 |
| Butte | 219.84 | 219.84 |
| Imperial | 227.56 | 227.56 |
| Shasta | 241.79 | 241.79 |
| Yuba | 270.07 | 270.07 |
| Yolo | 276.72 | 276.72 |

* Prior to cost control budgeting.

SUPPORT

| <u>County by Rank</u> | <u>77/78</u> | <u>80/81 Target*</u> |
|-----------------------|--------------|----------------------|
| <u>SMALL:</u> | | |
| Lake | 1.55 | 1.07 |
| Napa | 1.34 | 1.07 |
| San Luis Obispo | 1.31 | 1.07 |
| Imperial | 1.29 | 1.07 |
| El Dorado | 1.23 | 1.07 |
| Tehama | 1.12 | 1.07 |
| Kings | 1.11 | 1.07 |
| Mean | 1.07 | |
| Mendocino | 1.04 | 1.04 |
| Siskiyou | 1.04 | 1.04 |
| Shasta | .99 | .99 |
| Placer | .98 | .98 |
| Sutter | .97 | .97 |
| Marin | .96 | .96 |
| Madera | .86 | .86 |
| Nevada | .86 | .86 |
| Yolo | .80 | .80 |
| Yuba | .71 | .71 |
| <u>VERY SMALL:</u> | | |
| Sierra | 5.99 | 5.99 |
| Alpine | 3.76 | 3.76 |
| Trinity | 2.03 | 2.03 |
| Mariposa | 1.70 | 1.70 |
| Mean | 1.63 | |
| Mono | 1.52 | 1.52 |
| Plumas | 1.49 | 1.49 |
| Modoc | 1.33 | 1.33 |
| Calaveras | 1.25 | 1.25 |
| San Benito | 1.18 | 1.18 |
| Colusa | .98 | .98 |
| Tuolumne | .88 | .88 |
| Del Norte | .88 | .88 |
| Amador | .81 | .81 |
| Glenn | .80 | .80 |
| Inyo | .77 | .77 |
| Lassen | .72 | .72 |

* Prior to cost control budgeting.

SUPPORT

| <u>County by Rank</u> | <u>77/78</u> | <u>80/81 Target*</u> |
|-----------------------|--------------|----------------------|
| <u>LARGE:</u> | | |
| Los Angeles | 1.24 | .87 |
| Contra Costa | 1.04 | .87 |
| Riverside | .98 | .87 |
| Alameda | .97 | .87 |
| San Francisco | .96 | .87 |
| Orange | .88 | .87 |
| Santa Clara | .88 | .87 |
| Mean | | .87 |
| San Bernardino | .73 | .73 |
| San Diego | .65 | .65 |
| Sacramento | .63 | .63 |
| Fresno | .57 | .57 |
| <u>MEDIUM:</u> | | |
| Humboldt | 1.08 | .94 |
| Santa Barbara | 1.05 | .94 |
| Merced | 1.04 | .94 |
| Solano | 1.04 | .94 |
| Santa Cruz | 1.02 | .94 |
| Ventura | .98 | .94 |
| Monterey | .97 | .94 |
| San Mateo | .96 | .94 |
| Mean | | .94 |
| Kern | .93 | .93 |
| San Joaquin | .91 | .91 |
| Tulare | .85 | .85 |
| Butte | .81 | .81 |
| Sonoma | .76 | .76 |
| Stanislaus | .73 | .73 |

* Prior to cost control budgeting.